

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB APC 17-02 Implementing the 2017-18 General Appropriations Act
SPONSOR(S): Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Appropriations Committee	24 Y, 0 N	Kramer	Leznoff

SUMMARY ANALYSIS

This bill provides the statutory authority necessary to implement and execute the General Appropriations Act (GAA) for Fiscal Year 2017-2018. The statutory changes are effective for only one year and either expire on July 1, 2017 or revert to the language as it existed before the changes made by the bill.

Because this bill implements provisions of the General Appropriations Act for Fiscal Year 2017-2018, there are no direct fiscal impacts created by this bill.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background:

Section 12 of Article III of the Florida Constitution states that “[l]aws making appropriations for salaries of public officers and other current expenses of the state shall contain provisions on no other subject”. This language has been interpreted to defeat proviso language attached to appropriations that have the effect of amending general law. For this reason, when general law changes are required to effectuate appropriations, those changes are placed in a general bill implementing the appropriations act instead of in the GAA. The statutory changes are effective for only one year and either expire on July 1 of the next fiscal year or revert to the language as it existed before the changes made by the bill.

Provisions of bill:

Section 1 provides legislative intent that the implementing and administering provisions of this act apply to the General Appropriations Act for Fiscal Year 2017-2018.

Section 2 incorporates the Florida Education Finance Program (FEFP) work papers by reference for the purpose of displaying the calculations used by the Legislature.

Section 3 provides that any district school board that generates less than \$2 million in revenue from one mill of ad valorem tax shall contribute 0.75 mill, rather than 1.5 mills, for Fiscal Year 2017-2018, to the cost of funded special facilities projects.

Section 4 amends s. 1012.731, F.S. relating to the Florida Best and Brightest Teacher Scholarship Program to award highly effective teachers who have demonstrated a high level of academic achievement based on their SAT, ACT, GRE, LSAT, GMAT or MCAT score being at or above the 77th percentile.

Section 5 creates s. 1012.732, F.S. relating to the Florida Best and Brightest Principal Scholarship Program to award highly effective principals whose school facility has a high percentage of best and brightest teachers.

Sections 6 and 7 extend the date by which Florida Polytechnic University must meet statutory deadlines relating to accreditation by one year.

Section 8 prohibits state universities and colleges from allowing personal services of the university or college to be used by university or college direct support organizations. The section also prohibits the direct support organizations of state universities and colleges from giving gifts to political action committees.

Section 9 provides that the calculations of the Medicaid Low-Income Pool, Disproportionate Share Hospital, and hospital reimbursement programs for the 2017-2018 fiscal year contained in the document titled “Medicaid Hospital Funding Programs,” dated March 30, 2017, and filed with the Clerk of the House of Representatives, are incorporated by reference for the purpose of displaying the calculations used by the Legislature, consistent with the requirements of state law, in making appropriations for the Medicaid Low-Income Pool, Disproportionate Share Hospital, and Hospital Reimbursement programs.

Section 10 authorizes AHCA & DOH to submit a budget amendment to realign funding within and between agencies based on the implementation of the Statewide Medicaid Managed Care Medical Assistance Program for Children’s Medical Services within the Department of Health. The funding

realignment must reflect the actual enrollment changes due to the transfer of beneficiaries from fee-for-service to the capitated Children's Medical Services Network. The section also authorizes AHCA to submit a request for non-operating budget authority to transfer the federal funds to the Department of Health, pursuant to s. 216.181(12), Florida Statutes.

Section 11 provides that if the Agency for Persons with Disabilities ceases to have an algorithm and allocation methodology adopted by valid rule, each client's iBudget amounts will remain unchanged until a new allocation algorithm is prescribed by Rule. The section also provides a method of determining the iBudget for each client newly enrolled in the home and community based services waiver program.

Section 12 authorizes agencies to submit 14-day budget amendment rather than being required to obtain Legislative Budget Commission approval for increased budget authority if legislation eliminating the federal refugee settlement program fails to become law.

Section 13 amends s. 893.055, F.S. to prohibit the Attorney General from using settlement funds to administer the prescription drug monitoring program.

Section 14 amends s. 216.262, F.S., to allow the Executive Office of the Governor (EOG) to request additional positions and appropriations from unallocated general revenue funds during the 2017-2018 fiscal year for the Department of Corrections (DOC) if the actual inmate population of the DOC exceeds certain Criminal Justice Estimating Conference forecasts. The additional positions and appropriations may be used for essential staff, fixed capital improvements, and other resources to provide classification, security, food services, health services, and other variable expenses within the institutions to accommodate the estimated increase in the inmate population, and are subject to Legislative Budget Commission review and approval.

Section 15 amends s. 215.18, F.S., to provide the Chief Justice the authority to request a trust fund loan.

Section 16 authorizes the DOC to transfer funds from categories other than fixed capital outlay into the Inmate Health Services category subject to the notice, review and objection procedures of s. 216.177, F.S.

Section 17 requires the Department of Juvenile Justice to ensure that counties are fulfilling their financial responsibilities and to report any deficiencies to the Department of Revenue. If the Department of Juvenile Justice determines that a county has not met its obligations, it must direct the Department of Revenue to deduct the amount owed to the Department of Juvenile Justice from shared revenue funds provided to the county under s. 218.23, F.S. The section also includes procedures to provide assurance to holders of bonds for which shared revenue fund distributions are pledged.

Section 18 requires the Department of Management Services (DMS) and agencies to utilize a tenant broker to renegotiate private lease agreements, in excess of 2,000 square feet, expiring before June 30, 2020.

Section 19 provides that the online procurement system transaction fee authorized in ss. 287.042(1)(h)1 and 287.057(22)(c), F.S., will remain at 0.7 percent for the 2017-2018 fiscal year only.

Section 20 provides that the EOG is authorized to transfer funds appropriated in any appropriation category used to pay for data processing in the General Appropriations Act between agencies, in order to align the budget authority granted with the utilization rate of each department.

Section 21 notwithstanding s. 216.292(2)(a), F.S., which authorizes agency budget transfers of up to 5 percent of approved budget between categories. Except for transfers approved pursuant to section 20

of the Implementing Bill, agencies are prohibited from transferring funds from a data center appropriation category to a category other than a data center appropriation category.

Section 22 authorizes the EOG to transfer funds in the appropriation category "Special Categories-Risk Management Insurance" between departments in order to align the budget authority granted with the premiums paid by each department for risk management insurance.

Section 23 authorizes the EOG to transfer funds in the appropriation category "Special Categories-Transfer to DMS-Human Resources Services Purchased Per Statewide Contract" of the 2017-2018 General Appropriations Act between departments, in order to align the budget authority granted with the assessments that must be paid by each agency to the DMS for human resources management services.

Section 24 defines the components of the Florida Accounting Information Resource subsystem (FLAIR) and Cash Management System (CMS) included in the Department of Financial Services Planning Accounting and Ledger Management (PALM) system. This section also provides the executive steering committee (ESC) membership and the process for ESC meetings and decisions.

Section 25 amends s. 216.181(11)(d), F.S., to authorize the Legislative Budget Commission to increase amounts appropriated to the Fish and Wildlife Conservation Commission (FWC) or the Department of Environmental Protection (DEP) for fixed capital outlay projects. The increase in fixed capital outlay budget authority is authorized for funds provided to the state from the Gulf Environmental Benefit Fund administered by the National Fish and Wildlife Foundation, the Gulf Coast Restoration Trust Fund related to the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast Act of 2012 (RESTORE Act), or from British Petroleum Corporation (BP) for natural resources damage assessment early restoration projects. Any continuing commitment for future appropriations by the Legislature must be specifically identified.

Section 26 amends s. 215.18(3), F.S., to authorize the Governor to temporarily transfer moneys, from one or more of the trust funds in the State Treasury, to a land acquisition trust fund (LATF) within the Department of Agriculture and Consumer Services (DACS), the DEP, the Department of State, or the FWC, whenever there is a deficiency that would render the LATF temporarily insufficient to meet its just requirements, including the timely payment of appropriations from that trust fund. These funds must be expended solely and exclusively in accordance with Art. X, s. 28 of the Florida Constitution. This transfer is a temporary loan and the funds must be repaid to the trust funds from which the moneys were loaned by the end of the 2017-2018 fiscal year. Any action proposed pursuant to this subsection is subject to the notice, review, and objection procedures of s. 216.177, F.S., and the Governor shall provide notice of such action at least seven days before the effective date of the transfer of trust funds.

Section 27 provides that, in order to implement specific appropriations from the land acquisition trust funds within the DACS, the DEP, the FWC, and the Department of State, the DEP will transfer a proportionate share of revenues in the Land Acquisition Trust Fund within the DEP on a monthly basis, after subtracting required debt service payments, to each agency and retain a proportionate share within the Land Acquisition Trust Fund within the DEP. Total distributions to a land acquisition trust fund within the other agencies may not exceed the total appropriations for the fiscal year.

Sections 28 and 29 amends 373.470(6)(a), F.S. relating to match requirements of the South Florida Water Management District (SFWMD) for Everglades Restoration funded from the Save Our Everglades Trust Fund. This section will require the match from SFWMD for Everglades Restoration funded from the Land Acquisition Trust Fund.

Section 30 amends s. 375.041(3)(b)3, F.S. relating to the Land Acquisition Trust fund to remove requirement for funding for restoration of Lake Apopka and for springs restoration.

Sections 31 and 32 amends s. 339.135(7)(e), F.S., by making an exception to the work program amendment approval process for certain projects when an emergency exists.

Sections 33 and 34 reenact amendments to s. 216.292(2)(a), F.S., that remove language limiting scope of legislative review of "five percent" budget transfers. The Legislature would continue to be able to object that a proposed action exceeds delegated authority or is contrary to legislative policy and intent.

Section 35 provides that no state agency may initiate a competitive solicitation for a product or service if the completion of such competitive solicitation would require a change in law or require a change to the agency's budget other than a transfer authorized in s. 216.292(2) or (3), F.S., unless the initiation of such competitive solicitation is specifically authorized in law or in the General Appropriations Act or by the Legislative Budget Commission.

Section 36 amends s. 112.24, F.S., to provide that the reassignment of an employee of a state agency may be made if recommended by the Governor or Chief Justice, as appropriate, and approved by the chairs of the Senate and House budget committees. Such actions shall be deemed approved if neither chair provides written notice of objection within 14 days after receiving notice of the action, pursuant to s. 216.177, F.S. This requirement applies to state employee reassignments regardless of which agency (sending or receiving) is responsible for pay and benefits of assigned employee.

Section 37 maintains legislative salaries at the July 1, 2010, level.

Sections 38 and 39 amend s. 215.32(2)(b), F.S., in order to implement the transfer of moneys to the General Revenue Fund from trust funds in the 2017-2018 General Appropriations Act.

Section 40 provides that funds appropriated for travel by state employees be limited to travel for activities that are critical to each state agency's mission. The section prohibits funds from being used to travel to foreign countries, other states, conferences, staff-training, or other administrative functions unless the agency head approves in writing. The agency head is required to consider the use of teleconferencing and electronic communication to meet needs of activity before approving travel.

Section 41 provides that, notwithstanding s. 112.061, F.S., costs for lodging associated with a meeting, conference or convention organized or sponsored in whole or in part by a state agency or the judicial branch may not exceed 150 dollars per day. The section provides that a meeting does not include travel activities for conducting an audit, examination, inspection or investigation or travel activities related to litigation or emergency response. An employee may expend his or her own funds for any lodging expenses in excess of 150 dollars per day.

Section 42 directs the executive branch agencies and judicial branch agencies to collaborate with the EOG to implement a statewide travel management system and utilize the system.

Sections 43 and 44 reenact amendments to s. 110.12315, F.S., that: modify copayments associated with the state employees' group health insurance program consistent with decisions that have been made in the General Appropriations Act; authorize the Department of Management Services, for the state employees' prescription drug program, to negotiate the pharmacy dispensing fee, to implement a 90-day supply limit program for certain maintenance drugs at retail pharmacies for state employees under certain circumstances, and to maintain a list of maintenance drugs and preferred brand name drugs; and provide that copayments for state employees for a 90-day supply of prescription drugs at a retail pharmacy will be the same as a 90-day supply through mail order. The section also requires the department to implement formulary management measures by which prescription drugs and supplies will be subject to formulary inclusion and exclusion.

Section 45 provides that a state agency may not enter into a contract containing a nondisclosure clause that prohibits a contractor from disclosing to members or staff of the Legislature information relevant to the performance of the contract.

Section 46 specifies that no section of the bill shall take effect if the appropriations and proviso to which it relates are vetoed.

Section 47 provides that a permanent change made by another law to any of the same statutes amended by this bill will take precedence over the provision in this bill.

Section 48 provides a severability clause.

Section 49 provides an effective date.

B. SECTION DIRECTORY:

See EFFECT OF PROPOSED CHANGES.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Because this bill implements provisions of the General Appropriations Act for Fiscal Year 2017-2018, there are no direct fiscal impacts created by this bill.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenue in the aggregate ; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES